

## Message Text

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ACTION EUR-12

INFO OCT-01 NEA-10 ISO-00 EURE-00 CIAE-00 DODE-00  
PM-05 H-01 INR-07 L-03 NSAE-00 NSC-05 PA-01  
PRS-01 SP-02 SS-15 USIA-06 OMB-01 MCE-00 ACDA-07  
TRSE-00 IGA-02 /079 W  
-----073025 101800Z /44

P R 101518Z AUG 77  
FM AMEMBASSY STOCKHOLM  
TO SECSTATE WASHDC PRIORITY 1308  
INFO AMEMBASSY ISLAMABAD  
AMEMBASSY NEW DELHI  
AMCONSUL GOTEBOG UNN

C O N F I D E N T I A L STOCKHOLM 3326

E.O. 11652: N/A  
TAGS: MASS, IN, SW  
SUBJECT: PRESS ARTICLE ON SWEDISH-INDIAN NEGOTIATIONS FOR SALE OF  
VIGGEN AIRCRAFT

1. SWEDISH PRESS, RADIO, AND TV ON AUGUST 9 CARRIED EXCERPTS  
FROM AN ARTICLE PUBLISHED IN THE BUSINESS WEEKLY SHEET  
DAGENS INDUSTRI OF THE SAME DATE TO THE EFFECT THAT SAAB-SCANIA  
IS CONTINUING TO NEGOTIATE, WITH GOS APPROVAL, THE SALE TO  
INDIA OF 20 VIGGEN MILITARY AIRCRAFT, AN ORDER WHICH, WITH  
SPARE PARTS, WOULD TOTAL ROUGHLY ONE BILLION SWEDISH CROWNS  
(US\$1.00-SKR 4.37). THE ARTICLE STATES THAT ON AT  
LEAST TWO OCCASIONS IN THE PAST, IN 1965 AND 1970, THE GOS  
HAD VETOED ARMS SALES TO INDIA AND PAKISTAN BECAUSE OF THE  
"BORDER UNREST." IT ADDS THAT ACCORDING TO MAJOR GENERAL  
BENGT ROSENIUS (NEWLY INSTALLED CHIEF INSPECTOR OF WAR  
MATERIEL) THE SALE OF VIGGEN AIRCRAFT TO INDIA AT THIS TIME  
WOULD NOT CONFLICT WITH CURRENT SWEDISH ARMS EXPORT  
REGULATIONS.

2. DAGENS INDUSTRI INDICATED THAT NEGOTIATIONS BETWEEN  
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SAAB-SCANIA AND INDIA BEGAN NEARLY THREE YEARS AGO  
AND THAT THE PROPOSED SALE WAS DISCUSSED DURING THE  
VISIT TO SWEDEN EARLY THIS YEAR BY INDIAN AIR FORCE CHIEF  
H. MULGAOKAR. INDIAN EMBASSY COMMERCIAL SECRETARY  
S.K. UPPAL IS QUOTED IN THE ARTICLE AS SAYING THAT  
SOME DECISION BY INDIA IS "FAIRLY LIKELY IN 1977."  
NOTING THAT INDIA IS IN CONTACT WITH SEVERAL PLANE

MANUFACTURERS, UPPAL REPORTEDLY STATED THAT THE MOST SERIOUS NEGOTIATIONS IN HIS OPINION ARE THOSE WITH SAAB-SCANIA. THESE DECISIONS, HE SAID, INCLUDE PROPOSALS FOR ADJUSTING THE VIGGEN TO INDIA'S CONDITIONS.

3. SAAB-SCANIA SPOKESMAN QUOTED IN THE ARTICLE SAID THAT THE INDIAN SIDE HAS BEEN "FAIRLY QUIET THE LAST SIX MONTHS" BUT DID CONFIRM THAT THEY CONSIDER NEGOTIATIONS WITH INDIA TO BE CONTINUING. THEY REFUSED TO CONFIRM THE FIGURE OF 20 PLANES MENTIONED BY UPPAL AND DID NOT VENTURE TO PREDICT WHEN THE INDIAN GOVERNMENT MIGHT MAKE ITS DECISION.

4. COMMENT: THE EMBASSY CONSIDERS THE DAGENS INDUSTRI ARTICLE AND THE RATHER EXCITED MEDIA PUBLICITY WHICH EMANATED THEREFROM TO BE AN EXAMPLE OF BAD JOURNALISM, A MIXTURE OF SUPPOSITIONS AND ASSUMPTIONS WHICH HAVE LITTLE BASIS IN FACT. THE EMBASSY HAS BEEN INFORMED BY MFA SOURCES THAT ABSOLUTELY NO NEW DEVELOPMENTS HAVE TAKEN PLACE WITH REGARD TO A POSSIBLE SALE OF THE VIGGEN TO INDIA. THE ARTICLE, ACCORDING TO ONE CONTACT, IS PURE SPECULATION. NOWHERE IN THE DAGENS INDUSTRI PIECE IS IT MENTIONED THAT THE SALE BY SWEDEN TO INDIA OF VIGGEN AIRCRAFT REQUIRES THE PRIOR APPROVAL OF THE USG. SUCH APPROVAL CAN BE CONSIDERED ONLY AFTER APPLICATION BY THE GOS FOR THE RE-CONFIDENTIAL

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EXPORT OF AMERICAN COMPONENTRY BUILT INTO THE VIGGEN AIRCRAFT. AN INFORMAL APPROACH BY SAAB-SCANIA WAS MADE TO THE USG IN THE FALL OF 1975 ON THE LIKELY US RESPONSE TO SUCH A SWEDISH GOVERNMENT APPLICATION. SAAB-SCANIA WAS INFORMED IN JULY 1976 THAT SHOULD THE GOS PUT FORTH AN APPLICATION, THE LIKELY US RESPONSE WOULD BE NEGATIVE. GIVEN THIS HISTORY, THE EMBASSY HAS REASON TO BELIEVE THAT THE GOS WOULD KEEP US FULLY INFORMED IF IT APPEARED THAT SAAB-SCANIA'S DISCUSSIONS WITH THE INDIANS SEEM TO BE LEADING TO VIGGEN PROCUREMENT BY INDIA.  
PERRY

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## Message Attributes

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**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
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**Decaption Note:**  
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**Disposition Approved on Date:**  
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**Disposition Date:** 22 May 2009  
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**Type:** TE  
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